

# WORKLINK

A PUBLICATION FOR WORKER CO-OPERATIVES IN N.S.W.

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## Campbelltown — Camden Work Collective

Campbelltown-Camden Work Collective commenced operating in March 1980 with the first work being the installation of concrete mowing strips beneath a picket fence surrounding a Council Oval. This job was the first in a number of concreting jobs that were obtained through the Campbelltown City Council and funded under a special grant for unemployed persons. At the start of the job none of us had laid concrete professionally.

Throughout the next six weeks we made many mistakes, but thanks mainly to the tolerance and guidance of overseeing Council Engineers we progressively improved the quality and quantity of the concrete laid. In the next four months we installed two more cyclone fences, with concrete mowing strips underneath, onto two more ovals. We then progressed to laying concrete slabs and footpaths. Part of the way through laying footpaths for the Council we were successful in securing a contract for footpath construction for the Housing Commission. To date we have installed 5000 lineal metres of footpaths in the Campbelltown District.

In May 1980 we started a lawn mowing/gardening service. This was a bad time to start because winter time is not the best grass growing season. We persevered but had to supplement the gardening by operating a painting service, gaining jobs wherever we could and using the gardener/painters to operate both enterprises. This method of developing was difficult and frequently inefficient but now we have two separate enterprises operating and providing employment for three people. **Cliff Church** operates the gardening service and the painting service is controlled by **Fred Bullock** assisted by **Shane Reed**.

In November 1980 we started a fibre glassing operation. At present the jobs are obtained through the support of one of our Committee men, who has extensive contacts in the fibre glass industry. With this initial start and with

our fibre glasser, **Cyril Catton**, we hope to develop our own contacts both by manufacturing for agents and by direct selling of our products to retailers. Some of the products that we are making are:

- (i) Three sizes of garden rock pools
- (ii) A mechanics tray for working under cars and trucks
- (iii) A fibre glass kitchen/utility chair, and
- (iv) A childrens chair and table.

We do have the services available of a skilled pattern maker so we can manufacture items from the design stage. Presently we have a full time staff of eighteen people engaged in four different enterprises.

For the past ten months we have been operating as a Collective. We anticipate that we will achieve co-operative registration in the next few weeks and thereby eliminate the problems that are associated with a non-registered organisation, such as, unofficial legal status and unlimited liability.

It has taken a lot of effort and more important, constant re-thinking of our methods and practices to get as far as we have. As mentioned earlier at the start of the concreting enterprises we had no experienced people working with the crew. As we have progressed into the industry it has been more and more obvious that it requires at least two to three persons in each crew who have the required experience. A load of concrete will not wait before it hardens, while inexperienced staff decide how the load should be laid.

Similarly in the painting enterprise, we thought we knew enough basic to paint professionally. Since **Fred Bullock**, a fully experienced decorator joined us, we have realised how amateurish and inefficient we were at the start. Hopefully we will not make as many mistakes in the Fibre glassing enterprises as **Cyril Catton** has worked in the industry for a number of years and we also have the advice of one of our committee men who knows the industry.

Before considering further development we have to consolidate our existing enterprises. We have many inefficiencies in our operations which we are constantly trying to eliminate.

Like "Topsy" to a certain extent we just "grewed", and in growing we have used either the wrong methods, or at least not the "best" ones. We have yet to reach self sufficiency, but do not expect this for some time yet. We originally believed that each enterprise should always remain under the "umbrella" of the original organisation. We have subsequently found out that as each enterprise reaches a stage of profitability it must control its own operations and perhaps retain only limited links with the original body.

As in other organisations, our members are our most important asset. Gradually we are recruiting members who are willing to work that little bit harder to secure both their positions and also the position of the collective. It has taken a turnover of 19 people before we have recruited that nucleus of concerned and committed members.

Despite the many problems that we still have, we look forward to a successful future by enlarging the existing enterprises and by developing new ones.

## Canterbury-Bankstown Work Collective —

### "WORKFORCE"

The Canterbury-Bankstown Work Collective was initially funded in April 1980 following a development period, and after feasibility studies and general market research had been undertaken in the locality to ascertain future viability and potential. "Workforce Enterprises" as it is known, encompasses the largest area, geographically, within the Sydney metropolitan area, and the unemployment problem here is enormous. Initially inquiries regarding Work Co-ops were made from the Canterbury and Bankstown areas separately. The amalgamation was precipitated by the mutual need and the obvious advantages for co-ordinated effort within the region.

The proposed Co-ops premises are situated at 42 Rossmore Avenue, Punchbowl. Once, an old ramshackled building, it has been extensively renovated to such a degree that it is now totally suitable as a general office and nerve centre. In fact, we have played host to two successful State Work Co-operative conferences.

Board meetings are held at least once a month and there are also regular committee meetings of the Co-ordinator and work supervisors. Great emphasis is placed on responsibility. The supervisors and members alike understand the importance of not letting each other down and of upholding the

## 1. Structure of the Collective



good mane of "Workforce" in their activities at all times. Particular stress is placed on quality control with the yard stick being that the customer must be satisfied at all costs if we are to survive.

## 2. The Work Areas

### A) Contract Gardening

The contract gardening team is involved in all gardening and landscaping type activities. Contracts having been established with various governmental agencies i.e. Housing Commission, Electricity Commission, G.P.O. Departments, local Real Estate Agencies and various firms in the industrial section of the region. This team also involves itself with rubbish and refuse removals and is enjoying growing success as its reputation spreads and "doors" are opened.

### B) Contract Maintenance

This work team is activated mainly in the area of painting, concreting, general carpentry and other associated activities, the majority o the work coming from Real Estate Agents in the Canterbury-Bankstown municipality. We have qualified tradesmen assisting the work team and passing their skills on to other members.

**C&D)Cartage and Removals and Courier Services** are two major areas of expansion for the collective. The activities in these areas include

- (i) general courier work, from documents to parcels, throughout the metropolitan area, with a lot of hard work being put into the development of
  - (a) Overnight express and
  - (b) Professional documents
- (ii) Furniture Removals and cartage of applicance i.e. Fridges and Washing Machines over an area which is also expanding rapidly.

The potential of these two businesses has been researched and is regarded as very optimistic. As in other work areas, we put a lot of attention into total customer satisfaction, to the extent that customers themselves have asked us to increase their rates — crazy but true.

At present we are employing 17 members, with hard core full timers numbering 11. These figures are increasing out of necessity. Particular emphasis is placed on "Professionalism" in terms of quality control and customer satisfaction, regular advertising, uniforms for the couriers, Public relations etc. We are exploring two new work areas at the moment. These will become known to Worklink readers in the near future. Overall we feel we are definitely on the road to self sufficiency (and are planning for it accordingly). For any enquiries, please ring (02) 759 6188.

### Co-operative Education Course (Cont'd)

#### Lesson 6

##### Basic co-operative principles

In the last sections we reviewed the advantages of group action and self-help.

We shall now proceed to the next important subject, namely: The basic co-operative principles which have been developed out of the practical experience of more than 100 years of co-operative work.

##### 1. What is it that makes co-operative societies different from other business undertakings?

If you look at all organisations that have undertaken some business and study the way in which these organisations are run, you will find out by comparison that **all the co-operative societies amongst them follow** (more or less closely) **the same principles** in their set-up. Private firms may be organised in many forms, but they all normally follow the rule of getting high profits out

of capital invested. To understand the special character of co-operatives and to see the difference between co-operatives and private firms properly, it is necessary to know what these co-operative principles are and what they really mean.

##### 2. The basic co-operative principles are the following:

- a) Open Membership
- b) Democratic Control
- c) Limited Interest on Share Capital
- d) Continuous Member Education
- e) Neutrality in Race, Religion and Politics
- f) Co-operation between Co-operatives.

Now let us look at these principles one by one.

##### a) Open membership

The principle of open membership goes closely together with the principle of voluntary association. Both principles are intended at giving the members the **freedom of choice to join or withdraw from the society** at their own free will. As a rule, it is against established co-operative principles to make people join a co-operative by force. People have to be free to decide whether they want to co-operate.

On the other hand, as we have seen before, a co-operative needs a group of people with interest in common who are willing and able to participate actively in the co-operative work. Therefore, open membership does not mean that every one is free to enter the co-operative without any limitations. **Only those persons may become members, who meet the entry requirements**, laid down in the Rules of every Co-operative.

Such entry qualifications are normally:

- to be mentally fit,
- to have attained a certain age,
- to be willing to contribute labour,
- to pay the required amount of share capital.

By this measure the Co-operative can make sure that **only people who really fit into the group can become members.**

## MANAGEMENT TIPS

### b) Democratic control

The principle of democratic control, as the word democracy implies, means **self-administration of the society by the members** based on the **equality of all members**. In other words, every single member has the same right to express his or her views and to vote in all affairs of the Co-operative, irrespective of the amount of his or her share contribution. Furthermore, this principle means that the **representatives** of the members, to whom the management of the affairs of the Co-operative is entrusted, **are elected and are dismissed by the members** by majority vote in general meetings.

### c) Limited interest on share capital

Co-operative societies are not obliged to pay interest on share capital because **the idea of co-operation is not to make profits out of money invested**, nor is it to attract people to become members only for the sake of investing their money in order to earn high interests on their shares. Therefore, co-operative societies have adopted the principle of limiting the maximum rate of interest on share capital to be paid to members. The remaining surplus resulting out of the operations of the co-operative goes into the reserve funds of the co-operative, or may be distributed among the members according to their business done with the co-operative.

### d) Continuous members' education

Since the motive of co-operation is not only the promotion of the economic interest of the members but also to **raise their social standard**, a co-operative society should, as a duty endeavour to make sure that all members are given education and training opportunities so that they can more fully participate in the affairs of their co-operative. Lack of education amongst members has led to interference, not only in the day-to-day functions of the co-operative, but also in their decision-making.

The basic idea of co-operative action is that the members run their co-operative on their own. However, if the members have not yet reached the educational standard, to do this in a proper way, Government usually steps in to help them to run their co-operative. This state of affairs can only be changed by permanent member education that enables the members and office-bearers of a co-operative to manage and control the affairs of their co-operative without outside assistance.

### e) Neutrality in race, religion and politics

All actions of co-operative groups are predominantly of an economic nature. Therefore, the principle of neutrality in the matters mentioned above has been

adopted in order to maintain the inner unity of the co-operative group and to avoid destruction of a co-operative society caused by differences in religious, racial or political convictions within the membership. In addition, this principle wants to keep the co-operative movement as a whole, aloof from racial, religious or political controversies and wants to guide the co-operative movement to **concentrate on their economic and social objectives**.

### f) Co-operation between Co-operatives

This principle is defined by the International Co-operative Alliance as "All co-operative organisations, in order to best serve the interests of their members and communities shall actively co-operate in every practical way with other co-operatives at local, national and international levels." Co-operatives are not only local businesses but are also part of an international movement, all working together for the economic and social improvement of **all** co-operative members.

This first glimpse at the co-operative principles is by no means comprehensive. Some other aspects of this subject will be dealt with later. However, you will appreciate the importance of these co-operative principles best, once you are an active member of a co-operative society.

## TRUCKING SERVICE

Work Co-operative/Collectives are invited to contact the Editor to assist in preparing a feasibility study for the full time use of a co-operative truck that can provide services throughout NSW, including the ACT, in transporting goods and equipment between towns and cities.

The vehicle is based in Orange and TASKFORCE will act as a Booking agency for any cartage requests.

Before the service can be inaugurated, it is necessary to find out the proposed usage of the vehicle so that charges can be set and a timetable prepared.

Con't Page 3.

and counted the number of coats ("nothing better to do"). Towards the end of the work, the president of the co-proprietors was to be found down in the garage, sitting on an upturned paint can being served a drink by the deaf and dumb painter. On other sites co-proprietors have been known to compete to make better and better cakes and tarts for C.O.B. workers.

C.O.B. breathes, has moods, even becomes stubbornly sterile at times and then is capable of engendering joy, enthusiasm, originality, and firm bonds of comradeship. Self-management isn't obvious. We are learning every day — and we can only learn amongst ourselves.

The Australian Institute of Management organises a free meeting for small businessmen on the fourth Wednesday of each month at 6.15 pm, on the premises of the Institute, 135 Walker Street, North Sydney.

The group aims to assist small business persons to identify new business opportunities and to provide simple basic ground rules for operating a business. The group emphasises a practical involvement from the participants, and persons attending are encouraged to talk over their problems and seek advice from the experts who are speaking that night.

Further details can be obtained by telephoning the Institute on (02) 92 0791. Prior arrangements are needed to attend.

**Editors note:** Remember they will not know about Work Co-operatives and will be dealing in a very different style of management — listen and learn. Business is business, management is different in our system — both can learn.

## THE ENTREPRENEURIAL WORK ROLE

In the entrepreneurial act at least five characteristics are evident:

1. The entrepreneur's originality and capacity to conceive a new organisation, mode of activity, product or service.
2. The "hazy" indeterminate nature of the prospective state — a large degree of uncertainty.
3. The individual's persistence, foresight, and ability to work through this uncertainty, and to marshall the information and resources necessary to initiate the change and project the conception into a marketable reality.
4. The entrepreneur's ability to weigh or analyse alternative paths of action and to decide among them.
5. The entrepreneur's ultimate commitment to risk, to the unforeseeable consequences of his act, and his capacity and propensity for effective entrepreneurial activity.

The decision to forgo stabilized socio-economic patterns and enter a new type of work activity or embark upon commitment to a new product, service or technological process is the culmination of a creative process, but it must not be the termination of that process.

## DEBT COLLECTION

With the proposed increase in trading within the next twelve to eighteen months, a percentage of bad debts will arise.

Several Co-operatives have already found that they are unable to collect outstanding monies because they have let the accounts lie for too long, and the company or the person owing the money is now difficult to locate and even harder to obtain settlement. In consultation with a representative from **Dun & Bradstreet Australia**, we have prepared a collection synopsis that will be useful to any co-operative or group starting in business.

Whereas the Association would like to act as agents for all work co-operatives

Step No	What to Do	When
1.	Send your statement of account with <b>imprinted reminder</b> that payment is now due	At or immediately after payment-due date.
2.	Send your own internal follow-up <b>Reminder Letter</b>	10-14 days after preceding step.
3.	Send your own internal <b>Final Notice</b>	7-10 days after preceding step.
4.	Send D & B Commission Free System <b>Letter of Demand</b>	7-10 days after preceding step.
5.	Turn the account over to Dun & Bradstreet for personal Collection Service.	7-10 days after preceding step.

Each group that subscribes will receive an operational folder containing all the documentation and record sheets necessary to operate the system. The folder is extremely easy to use and self-explanatory, and will assist with overcoming difficulties with outstanding debts, and return monies owed, to assist in operation of the business.

The library now contains a Dun & Bradstreet **Business Directory** of companies and products. We are evaluating this publication. Additionally, if you subscribe to Dun & Bradstreet, a weekly newsletter, **Dun's Gazette** is yours.

We cannot stress too heavily how important the collection of debts are, to your business. Any outstanding monies owed to the Society ties up working capital and could place you in a position of lack of liquidity. Additionally, many

and assist in debt collection from one central point, it would appear that, and as the Association does not send the invoices out in its name, collection must be done by each individual group. We are hopeful that in the future, this situation may be changed, or a plan of action put forward that will overcome the difficulty, but, in the meantime, each group should give consideration to the following proposal:

For a subscription ranging between \$95 and \$295 per annum, Dun & Bradstreet will collect outstanding debts on your behalf. In simple terms, the system operates as follows:

**PRELIMINARY:** Your invoice, issued at the point of sale or immediately afterwards, should clearly state your terms of Trade. Then plan your follow up from that point.

### When

At or immediately after payment-due date.
10-14 days after preceding step.
7-10 days after preceding step.
7-10 days after preceding step.
7-10 days after preceding step.

people or businesses try getting away with not paying accounts, exhibit a lack of management on your behalf, and they will keep doing it in the future. This is not a reputation that you should wish to become public knowledge. Please contact the Editor for further information on the Dun & Bradstreet proposal, and if you have any outstanding debts that are overdue, you should give serious consideration to this proposal. All debts are part and parcel of business, and can cost more than they are worth if they are let go too far. A small example of this is listed for your information:

ACTUAL LOSSES on accounts require many times their amount in additional sales before profit-making starts again. All of these losses were considered only doubtful by creditors at one time:

### AT NET PROFIT OF:

Actual Loss of:	2%	3%	4%	5%	6%	5%	6%
REQUIRES THESE ADDITIONAL SALES TO BE MADE TO OFFSET:							
\$100	\$5,000	\$3,333	\$2,500	\$2,000	\$1,666		
200	10,000	6,666	5,000	4,000	3,333		
300	15,000	10,000	7,500	6,000	5,000		
400	20,000	13,333	10,000	8,000	6,666		
500	25,000	16,666	12,500	10,000	8,333		

## The Work Co-operative Advisory Sub-Committees

The Sub Committees are:

### 1. Accounting/Taxation/Bookkeeping

Peter Arundell  
Kevin Gray (Chair)  
Adrian Earthrowl

Phone (02) 72 0202  
Phone (043) 25 2414  
Phone (02) 231 5014

The people in this sub-committee are available for:  
attention to any problems in the above categories and for individual or combined submissions on financial questions.

### 2. Recruitment & Worker Relations

Alan Wilson  
Tony Smith  
Genya McCaffrey (Chair)

Phone (049) 2 4188  
Phone (063) 62 5800  
Phone (02) 922 4067

The people in this sub-committee are available for:  
attention requested by any co-operative member on any problem relating to people and social aspects in co-operatives

### 3. Marketing/Advertising

Gabby Rona (Chair)  
Julie House  
Irene Ashburn

Phone (02) 759 6188  
Phone (02) 625 3156  
Phone (02) 660 0120

The people in this sub-committee are available for:  
attention to advertising needs and broader questions in the marketing field.

### 4. Manufacturing/Design/Technology

Barry Eady  
Ron Bunyan  
Dean Runge (Chair)  
Alan Greig

Phone (069) 21 5225  
Phone (02) 605 6507  
Phone (042) 28 3176  
Phone (02) 217 7263

The people in this sub-committee are available for:  
attention to management and development aspects in the above categories and to co-ordinate resources for projects and for the introduction of ideas.

### 5. Preparing Tenders and Contracts

Gabby Rona (Chair)  
Grant Kearney

Phone (02) 759 6188  
Phone (02) 977 8356

The people in this sub-committee are available for:  
attention to documentation and legal questions in the above areas

### 6. Registration and Legal Problems

John Humphreys  
Grant Kearney (Chair)  
Co-op Federation of NSW

Phone (02) 217 7263  
Phone (02) 977 8356  
Phone (02) 231 5014

The people in this sub-committee are available for:  
attention to all legal matters and to review the laws pertaining to the programme, e.g. the Co-operative law and business laws.

### 7. Training & Education

Malcolm Rogers  
Alan Greig (Chair)  
Neil Gage

Phone (02) 231 5014  
Phone (02) 217 7263  
Phone (044) 25 534

The people in his sub-committee are available for:  
attention to problems and needs in the training and education fields and to assist development of training and education programmes.

The N.S.W. Work Co-operative Development Committee meets regularly every month. In 1981, it will meet on the first Tuesday of every month. Its workload over the last few months has been particularly heavy but it has operated well and worked hard at its tasks.

Recently it has been paying attention to the development of inter-co-operative relationships, the development of expertise and the solution of problems by the Movement itself. As a result of policy discussions and lengthy consideration given to the subject at the December Development Officers seminar, a number of **Sub Committees have been formed**.

The roles of these Sub Committees are:

- (i) to advise groups on matters in each of the task areas
- (ii) to develop expertise in the task area
- (iii) to gather resources from wherever they may be available to ensure problems in each task area are solved.

The Sub Committees have also been developed to release the Management and Departmental Advisers to concentrate on specific tasks that will foster further growth and secure the operations of all groups.

The special projects assigned to the Co-operative Management Consultant (Mr Michael Donovan) for the next six months are:

- (i) report on and negotiate alternative sources of finance (internal and external) for Work Co-operatives
- (ii) to act as a Co-operative Marketing and Business Representative, to promote and negotiate increased trade for the various groups.

Anybody with any ideas or hot tips in these fields can contact him on (02) 267 8948.

The Sub Committee structure will also allow the Departmental Adviser, Work Co-operatives (Mr John Humphreys) to be free to concentrate on policy, evaluation and organisational aspects of Work Co-operatives.

## 8. Awards and Trade Unions

Ron Bunyan  
Co-op Federation  
Alan Greig (Chair)  
Alan Wilson

Phone (02) 605 6507  
Phone (02) 231 5014  
Phone (02) 217 7263  
Phone (049) 2 4188

The people in this sub-committee are available for:  
attention to any aspect in the above categories and to develop labor movement ties.

## 9. Information/Research/Handbook

Amanda Ryan  
Alan Greig

Phone (02) 267 8948  
Phone (02) 217 7263

The people in this sub-committee are available for:  
information services, historical aspects of the Worker Co-operative Movement,  
Handbook work, operational requests regarding the sub-committees, co-ordinating  
resources and communicating ideas.

## The Work Co-operative Programme's Management Committees are:

### Work Co-operative Development Committee

Chairman: John Humphreys  
Secretary: Alan Greig  
Consultant: Michael Donovan  
Members: Alan Wilson (Newcastle)  
Peter Arundell (Auburn)  
Ron Bunyan (Campbelltown)  
Malcolm Rodgers (Federation)

Phone (02) 217 7263  
Phone (02) 217 7263  
Phone (02) 267 8948  
Phone (049) 2 4188  
Phone (02) 72 0202  
Phone (02) 605 6507  
Phone (02) 231 5014

Making recommendations on policy, funding and all aspects of the programme to the Minister for Youth and Community Services. Meets first Tuesday of every month.

### Submission Review Committee

Chairman: John Humphreys  
Secretary: Alan Greig  
Consultant: Michael Donovan  
Accountant: Adrian Earthrow

Phone (02) 217 7263  
Phone (02) 217 7263  
Phone (02) 267 8948  
Phone (02) 231 5014

Making recommendations to the Work Co-operative Development committee on a funding submissions and funding procedures. Meets last Tuesday of every month. Submissions must be in seven days before each meeting.

## How to Motivate Your Sales People

All small businesses must sell **hard** to survive. Selling is the name of the game. And without effective sales people, you are dead. Sales representatives are any people who are in a position to influence prospective purchasers to use your services. Therefore, they may not be "on the road" but over the counter or on the phone. Also your sales representatives are one of your largest single **costs**.

In many cases they are a fixed cost, even though they may contain a variable element; i.e., a salesman's earnings will vary up and down according to his performance. As a small business you can rigidly plan your budgets and hold your mark-downs to a minimum, you can closely scrutinise all other costs, and control shrinkage. But, you can still suffer from constant bad performance simply because your sales force is not selling effectively.

And look at the cost of employing sales forces! In the last few years, sales costs have increased enormously. To get really good people you have had to pay far higher than award salaries in order to keep, attract and retain the best sales people available. Hence, one of your prime tasks in small businesses is to motivate and get the very best out of your sales representatives. After all, they hold the key to your success.

A profit sharing plan should be implemented if this is not the case already and open to **all** members. Pay on either a monthly or a quarterly basis. Pay cash for good ideas. Even if the idea is not used, it is money well spent. The more ideas that are coming to you, the better. Many of them may not work or are impractical. But, by and large, members who are familiar with their job generally make sound suggestions which can only assist the organisation.

Set **goals**. Don't just say to sales people: "sell harder". Set them an **achievable** goal. If they don't match it

at the end of each week or month, talk to them about what they may be doing wrong. Don't bully them or generally use standover tactics. Goals in sales management appear to work excellently in welding a cohesive sales team, in encouraging co-operation among salesmen as well as some form of competitiveness.

Two important points:

- make the goals realistic; and,
- make sure they are **specific**

If the goals are not achievable (in other words, if you set a goal which is basically "a pie in the sky") you can create disillusionment and despondency among your sales people. Sales will fall even further. And, don't just set a general level of sales. Try to specify the number of units sold. Also, don't make the goals over too long a time period; i.e., a goal for every six months. Make it a **weekly** goal, or at the very most a monthly goal. If it is any longer than this, people start losing track. They feel that they can easily make up at the last minute.

Shorten goal setting considerably. For members who are marginal in their performance, you may even shorten the goal setting cycle to **one day**. In other words, a member experiencing difficulty is set a target for each day and this is closely monitored by their supervisor.

Make sure you get daily or weekly feedback. Have a sales meeting where people discuss common problems, common sales strategies, pitches and appeals. Frequently, the best motivator of sales people is to hear **other** excellent sales people tell how they do it. However, one danger: don't let sales meetings become **negative**. At the first sign of negativism among sales people at a meeting, change the subject and inject a positive tone. Sales managers who let sales meetings meander run the risk of them becoming negative. Keep the accent positive and fast moving. Allow people room to talk out their difficulties, but don't let them affect the whole meeting. Remember: **success feeds success**. Make the tone of the sales meeting successful, positive, "let's move on together", etc.

If you have a member who's worth fostering, but is having difficulty at present meeting sales levels, shorten goals and make sure you assist them to see how their difficulty can be overcome; for example, say you have a sales person where their sales efforts are at a level of 50%. To increase the sales performance to 100% may seem to the person virtually impossible. However, if you shorten both the goal setting and feedback cycles this large task; i.e., getting from 50% to 100%, is broken down to a series of **smaller steps**. It seems more **achievable**.

(Adapted from *Making Money*, October 1980)

## C.O.B.

### Co-operative Ouvriere du Batiment

#### A building and house-painting co-operative in the South of France

by Jacqueline Engert-Cusack

C.O.B. was ten years old last January. Quite a long time for a new style co-operative and you would think that after 563 meetings, we would be able to lay down a working co-operative formula. Not at all.

There are guidelines, some very firm principles and we have acquired a lot of business sense — C.O.B. is stable and flourishing. The rest is evolution — a continual search for what is just in changing circumstances. In thinking about C.O.B. to write this article, this is perhaps the most important conclusion. We invest as we go along — after any new "law" is voted, we always say — let's have another look in six months' time to see how it works.

C.O.B. was created by three housepainters, one an Irishman, when they were repainting the facades of Barclay's Bank in Cannes.

They worked for the biggest painting firm in the region with over 100 employees. They had no idea that a co-operative movement existed. They wanted to work in circumstances where, to use their words, there would be "no exploitation of man by man". (In editing their first statutes they admitted that this could only apply for the present within the group). In seeking a legal framework for their aspirations, they settled on the S.C.O.P. statutes but in fact C.O.B. did not join the movement until 1976, creating its own original system of management and book-keeping with no outside help.

We are at present twenty-four builders, house-painters, an architect, an ex-builder accountant, a secretary sometime cradle painter and elected painter director. Workers become voting members automatically after six months and contribute 2½% of their salaries and all their share of the profits up to a sum of 700 pounds which they leave in the co-operative. This is all. A newcomer gets the key of the door from the moment he joins, shares the same wages, participates in all discussions and even takes his turn in presiding the weekly meeting.

Fixed equal salaries were decided on by the first eight workers in C.O.B. But after a year's trial resulting in a huge loss and generally mediocre work, a new system was elaborated. Since then salaries

production. For example, a team of seven building a villa will earn 40% of the sum billed to the client, after deduction of tax, 15%, and the total of all materials (not tools) used on the site. The remaining amount is worked out to an hourly rate. The 60% stays in C.O.B. to pay social charges (84% of salaries including holiday pay), meetings, administrative costs, other overheads and investment. What is left, profit, is divided at the end of the year pro-rata to wages received.

If there has been some sloppy work and someone has to go back to the site, the hourly rate goes down. If site organisation has been good and work has gone smoothly, the rate goes up. There is a rarely used possibility of a slow worker being put on a percentage of the hourly rate, as the founders said: "to allow the chap who likes to pause and look at flowers to do so without feeling he is exploiting his fellows".

This is an excellent system in many ways especially for a new co-operative. Every member of C.O.B. is capable of analysing the viability of a job, most can judge the rate at which work must proceed, the amount of materials necessary, how to eliminate waste of time and materials.

However, there are disadvantages. We have found over the years in calculating annual hourly earnings for each worker that the less qualified actually earn more than the experts who are called in to do the finicky work, talk with the client, do pricing and sometimes re-do bad work. It is also difficult for the management to give a commercial rebate when the consequences fall only on a few chaps.

These problems were discussed by the painters at the beginning of this month. They decided on a six-month trial of pooling all monthly site earnings and dividing them into an average rate for all the painters. They insist that analyses of all job earnings still be made and studied.

The builders tried the system some five years ago but reverted after several months after some bad feeling amongst a few who considered they worked faster and were losing out. A majority said it was a pity they were not ready yet.

C.O.B.'s director is now formally elected or re-elected each year. We believe this will enable us to change the director without embarrassment if there is general dissatisfaction. Rotation has always been the aim from the beginning but so far the present founder director was only once replaced, for three years. The director deals with management but the real decisions are taken at the meeting — six o'clock every Friday, two hours paid even though discussion nearly always goes on after eight (and

midnight). After the work is over, there is a drink, plus bread and cheese or a pizza. Attendance is almost 100% except for holidays or illness. It is the meeting which replaces the boss.

The administration of C.O.B. is the subject of a controversy at the moment. Last spring, an executive committee of five was created. It was empowered to take all administrative decisions, including hiring (an admittedly agonising performance for a group of 24) and small investments. However, this innovation lasted only six months, then there was an explosion over the choice of a secretary to replace me for six months while I take a part-time holiday to write a book about C.O.B. A painter asked for the dissolution of the committee saying that its arbitrary decision making didn't suit him at all. We vote on November 9.

Supporters of the committee say: "although it is known that delegating power can be a mortal danger to democracy through apathy at the base and bureaucracy at the summit, nevertheless a refusal to delegate any power has led to a break-up of the experiment." We voted an entire afternoon off work, followed by the normal meeting to discuss the problem.

I think the reasons which provoked the creating of this committee (voted by about 15 to five) were basically three, each fundamental: one, to help train others to take over eventually the role of director; two, to spread the burden of responsibility which becomes tough when the director has to criticise fellow workers for bad work or take attacks from newcomers going through their "aggressive" period; three, the inability of the meeting to decide certain questions, and its length — sometimes we are still talking about organising the week's work and which garage should fix the brakes on the lorry, the pick-up or the van (and once, whether nails should be deducted from wages or not!) after two hours. There is a reluctance to discuss anything of any importance if members are missing, sometimes we have a backlog of decisions to be made, like whether to vary the 40% the role of the site-co-ordinator, role of director, a date for a C.O.B. family outing.

To the exterior world C.O.B. functions like any other competitive firm (and there are plenty). But we think that clients benefit from each worker assuming responsibility, being informed and taking an interest. "Travailler dans la joie" is C.O.B. expression, translating as taking joy in one's work. The most spectacular results of this enthusiasm are on the big painting jobs. Recently six painters grumbled for a few weeks about the co-proprietors at a block of flats in Cannes who fussed about tints

## THE MARKET PLACE

Should any Co-operative have goods, equipment or services for sale you can use this section to advise other Co-operatives or interested parties of details, price, conditions and contact address. Copy to be supplied by the fifteenth (15th) of each month.

### FOR SALE

One beautifully clean defluffed fumigated 3 metre by 4 metre carpet square. Classic Ionic style pattern in deep russet with background in sun-brown. Industrial quality, easily trimmed, would suit executive office, price \$47.55, finance available to approved client, current use finishes end of February, available from Editor's office. Please contact by phone. This is a bargain never to be repeated.

### CONTRIBUTIONS

#### **REMEMBER:-**

You are invited to contribute to your newsletter. Yes! you should see this as your newsletter. You should regard it as a means of communicating your ideas and ideals to other Co-operatives. Contribution from 1500 — 2000 words on a topic concerning co-operatives will be published, also letters or interesting asides. All photos to be B & W. Editorial Board has right of reply.

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